Prob WI OK? BN?

when 180 days?

Utah 180 days?

Georgia?

Missouri 120 days

ong/revised

NY - what's bad? -

just quick?

Utah issues??

PENDING MEDICAID WAIVERS

STATE	DESCRIPTION	ISSUES	120 DAYS
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Georgia	Proposal to manage behavioral health services.	None identified yet.	1/96
Kentucky	State has asked for revisions to a waiver granted in 1993, after legislature rebuffed original plan to expand Medicaid eligibility. New plan would impose managed care using 8 regional partnerships.	Issue of lack of choice of health plans has held up approval. Yesterday HHS made offer to state and is waiting to hear back from them.	10/95
Missouri	Would impose managed care and expand coverage.	Problems with the state's use of provider taxes and disproportionate share funds.	7/95
Alabama	Would impose managed care and expand Medicaid eligibility for children and young adolescents to 133% of poverty level.	Problems with lack of choice of plans and competitive bidding.	11/95
California	Would impose managed care and offer beneficiaries a choice of a public or private HMO. However, public institutions are very concerned that the capitation rate will be so low that they will not be able to compete with the private sector, and that the state has allowed the private sector an advantage in enrolling Medicaid clients.	This is a "1915b" waiver. By statute, 1915b waivers are deemed approved after 180 days unless HHS denies them. (Most waivers are 1115 demonstration waivers, which HHS tries to act on in 120 days under executive order.) HHS has much less ability to control the approval process for 1915b waivers.	end of 12/95

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Kansas	Would test non-competitive managed care model in rural and small urban counties; and expand eligibility for children.	State would not competitively bid managed care contracts. State has agreed to offer a choice of plans.	7/95
New Hampshire	Would expand eligibility and establish pilots to help redesign health care delivery system.	None.	10/95
New York	New York has submitted 2 similar waivers: an 1115 demonstration waiver and a 1915b "freedom of choice" waiver. Both would rapidly enroll most clients in managed care, and have raised tremendous concerns for public institutions, unions, and advocates.	The state delayed its original implementation timetable, but it remains a very aggressive attempt to change the health care delivery system in a short time. HHS has less discretion on the 1915b waiver.	1115: 7/95 1915b: end of 10/95
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FAX TRANSMISSION

U.S. Department of Health and Human Services
Office of the Secretary

To: Diana Fortuna

Organization: White House - Domestic Policy

From: John Monahan Parkhurst
Intergovernmental Affairs

Date: 9/15/95

Intergovernmental Affairs
200 Independence Ave., SW
Room 630 F
Washington, DC 20201
phone: (202) 401-5879 (pw)
fax: (202) 690-5672

Recipient's Fax Number: _____

Number of pages including this sheet: 20

Remarks: Medicaid
Waiver status reports

September 15, 1995

NOTE TO JOHN MONAHAN

SUBJECT: Information on Pending Medicaid Waivers Sent to Harold Ickes

- Harold Ickes requested information on the anticipated decision dates for pending Medicaid waivers. (for Harold's work with unions)
- Attached is the chart we sent him through Jennifer O'Connor this morning.
- Also attached is the list of states with pending waivers that HCFA gave us as input.
- I gave a copy of the charts to Pat.

Carl

Carl Allen

(Also attached is the latest report on 1915(b) waivers - pwoods

HEALTH CARE REFORM DEMONSTRATIONS
PENDING PROPOSALS

State	Status
Alabama	Submitted: 7/10/95 Anticipated decision: January 1996
Georgia Behavioral Health	Submitted: 9/1/95 Anticipated decision: January 1996
Illinois	Submitted: 9/14/94 Anticipated decision: pending resolution of State's late payment issues and State's acceptance of standard terms and conditions
Kansas	Submitted: 3/23/95 Anticipated decision: January 1996
Kentucky	Submitted: 6/22/95 (amendment to original proposal) Anticipated decision: January 1996
Louisiana	Submitted: 1/3/95 Financial Proposal Disapproved: 6/9/95 State plans to re-submit this year
Missouri	Submitted: 6/30/94 Revised: 3/24/95 Anticipated decision: December 1995
Montana Mental Health	Submitted: 6/15/95 Disapproved: 9/13/95
New Hampshire	Submitted: 6/14/94 Anticipated decision: pending State's revision of proposal
New York	Submitted: 3/20/95 Anticipated decision: December 1995 - January 1996
Oklahoma	Submitted: 1/6/95 Anticipated decision: October 1995

Texas	Submitted: 9/7/95 Anticipated decision: January - March 1996
Utah	Submitted: 7/7/95 Anticipated decision: January 1996

MEDICAID SECTION 1115 DEMONSTRATION ACTIVITY
STATEWIDE HEALTH REFORM PROJECTS
In All States
September 1, 1995

STATE	PROJECT DESCRIPTION	STATUS	TIME FRAME
ALABAMA (Under Review)	Alabama submitted an 1115 demonstration waiver proposal entitled, "Bay (Better Access for You) Health Plan," on July 10, 1995. The five year demonstration project will enroll current Medicaid beneficiaries into managed care, expand eligibility for children ages 6-18 from 100 to 133% of FPL, expand eligibility for young adolescents from 16 to 133% of FPL, and offer enhanced family planning benefits up to 24 months to low income women. The State will initially implement the demonstration in Mobile County with possible expansion to other counties.	On 8/3, the State, Department and HCFA met to discuss the State's waiver request. Among the issues discussed were recipient choice, competitive bidding, relationship of Prime Health, and budget neutrality. A major issues letter is expected to be sent to the State shortly.	Proposal received 7/10/95. State Presentation 8/3/95. Anticipated Decision: January 1996
ALASKA	None		
ARIZONA (Approved/ Implemented)	Arizona has a long standing statewide Medicaid managed care program, "The Arizona Health Care Cost Containment System." The Arizona program serves 410,000 beneficiaries in acute care and 20,000 beneficiaries in long term care. The initial program was implemented in 1982.	In late June, a major issues letter regarding Arizona's proposal to expand eligibility to 100% of FPL was sent to the State. On June 27, Mabel Chen (the Arizona Medicaid Director) received two signed award letters: one approving Arizona's 13th Year Continuation Application, a new LTC waiver, and an increase in the limit on home and community-based services, and the other approving their request for waivers to simplify eligibility and to provide extended family planning services. On June 28, HCFA ORD staff meet with Mabel Chen to discuss a number of proposals. On July 10-12, a site visit was conducted to investigate eligibility, plan enrollment, and plan reimbursement concerns raised by a former agency employee. A careful examination of records and procedures by Regional Office staff revealed no problems.	13th Year Continuation Application approved 6/27/95.
ARKANSAS	None		
CALIFORNIA	The State is pursuing an 1115 demonstration to increase access to health care services through the use of managed care plans.	On August 9, LA County submitted a revised draft proposal. The proposal is under review by the Department, Tentatively, a meeting is scheduled for the week of September 5.	

STATE	PROJECT DESCRIPTION	STATUS	TIME FRAME
COLORADO	None		
CONNECTICUT	None		
DELAWARE (Approved/Pending Implementation)	Delaware has submitted an 1115 waiver proposal which will increase access to health care services through managed care plans by expanding Medicaid coverage to the State's uninsured adult population up to 100 percent of the FPL. This statewide proposal will include a comprehensive benefit package emphasizing primary and preventive care.	Delaware has begun implementation of the program, and has, to this point, met deadlines for all deliverables. The program is expected to be implemented in January, 1996. On August 14, a representative from HCFA attended a conference for managed care organizations in the State. HCFA is currently working on the readiness assessment procedures.	Proposal received 7/29/94. Waiver approved 5/16/95.
DISTRICT OF COLUMBIA (Received)	The District of Columbia has submitted an 1115 waiver application that proposes to implement a specialized managed care program, targeted to the needs of its Medicaid-eligible disabled children. There would be mandatory enrollment of the eligibles into a newly-formed health plan-Health Services for Children with Special Needs, Inc. (HSCSN). Full financial risk would be transferred to HSCSN, in the form of monthly capitation payments.	Discussions continue with the District on special terms and conditions and budget neutrality. On August 4, the District submitted a revised demonstration protocol.	Proposal received 3/25/94. Review panel was held 5/17/94.
FLORIDA (Approved/Pending Implementation)	Florida's Agency for Health Care Administration has been granted Medicaid waivers under section 1115 to permit Federal financial participation for the Florida Health Security Program (FHS). FHS will utilize a managed competition model and will provide health insurance for 1.1 million uninsured Floridians with incomes at or below 250% of the FPL. Health plans will be offered by Accountable Health Partnerships and sold by Community Health Purchasing Alliances.	The Legislature has yet to pass the enabling legislation for the demonstration. The State is currently exploring what program changes can be made without legislative authority. The Governor is considering calling a special session of the legislature to consider health care reform issues, including the 1115 waiver. It is expected that this will not occur before September.	Waiver proposal received 2/10/94. Waiver approved 9/15/94.
GEORGIA (Under Review)	Behavioral health proposal submitted in September 1996		Anticipated Decision: January 1996

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HAWAII (Approved/ Implemented)	Hawaii's HealthQuest provides seamless coverage for those on public programs, as well as the currently uninsured. Through Medicaid expansions (300% FPL, elimination of categorical and asset tests) and a managed care delivery system, the State expects to expand access and control costs.	Enrollment as of June 1, 1995 was 150,000. (Originally, enrollment was projected to be 110,000.) On June 30, 1995, we approved the first continuation of the QUEST program. The State is developing a proposal to include the aged, blind, and disabled population under QUEST, and incorporate long term care. We expect to receive the proposal in late 1995. A letter was sent to the State approving changes in incentives and disincentives regarding the State's request to impose penalties for QUEST beneficiaries who fail to make copayments or keep appointments, or who misuse the emergency room.	Proposal received 04/20/93. Waiver approved 07/15/93. The special terms and conditions were accepted on 08/02/93. First continuation approved on 6/30/95.
IDAHO	None		
ILLINOIS (Under Review)	Illinois section 1115 demonstration program, "MediPlan Plus," seeks to increase access and quality of health care for Medicaid eligible beneficiaries while controlling costs, by expanding the use of managed care. Illinois seeks to develop a managed care delivery system using a series of networks, either local or statewide, to tailor its Medicaid delivery system to the needs of local urban neighborhoods or large rural areas. Current Medicaid beneficiaries will be offered a choice of service delivery options, including traditional HMOs, managed care community networks, provider gatekeepers, and Federally Qualified Health Centers and Rural Health Centers.	We are currently negotiating budget neutrality and terms and conditions with the State. Issues on budget neutrality, back payments, and default assignment need to be resolved.	Proposal received 9/15/94. Anticipated Decision: Pending resolution of difficult issues.
INDIANA	None		
IOWA	None		
KANSAS (Under Review)	Community Care of Kansas, has goals of fostering the development of managed care in rural and small urban communities, preserving and enhancing choice, and improving health outcomes by assuring a continuum of care. The demonstration, to be implemented in one predominantly urban/suburban county, and three predominantly rural counties, plans to test the success of a non-competitive managed care model in rural areas. The demonstration would enroll current eligible in the AFDC and AFDC-related categories, and would expand eligibility to children ages five and under who lose eligibility under these categories and whose family income does not exceed 200 percent of the FPL.	On May 15, HCFA sent the State a letter which raised strong concerns about the proposed use of a sole source managed care contract to serve all beneficiaries in the demonstration. In June, HCFA, the state, and CCK (the prepaid health plan that would be the sole source contract under the demonstration) had two conference calls to discuss the major issues: competitive bidding for managed care contracts and beneficiary choice. On August 3, HCFA sent a letter to the State that summarized the position it took on these issues during the conference call. On August 4, technical questions were sent to the State.	Proposal received 3/23/95. Anticipated Decision: January 1996

STATE	PROJECT DESCRIPTION	STATUS	TIME FRAME
KENTUCKY (Revised Proposal Under Review)	The State is proposing to establish "The Partnership," a single entity administering their managed care program. "The Partnership" will be an umbrella organization that will contract with other partnerships in the eight managed care regions. Eligibles will include all AFDCs including the categorically and medically needy, SSI, State Supplementation to Aged, Blind, and Disabled, SOBRA women and children, and individuals who have lost SSI primarily due to Cost of Living Adjustments. There will be no eligibility expansion.	Kentucky's original 1115 waiver was put on hold indefinitely. Kentucky needed legislation in order to implement its demonstration. In June 1994, Kentucky's legislature passed a budget bill that included language prohibiting operation of any waiver programs expanding Medicaid eligibility or services that were not implemented by January 1, 1994. HCFA will be releasing a major issues letter to the State shortly.	Revised proposal received 6/22/95 Anticipated Decision on revised proposal: January 1996
LOUISIANA (Pending)	"Louisiana Health Access", a statewide section 1115 demonstration proposal, has goals of emphasizing primary and preventive care, increasing access to quality care, and controlling the State's spiraling costs through managed care. The original proposal included a request for a block grant of Federal Medicaid funds. On April 11, the State submitted a revised proposal focusing on a public managed care organization for Medicaid and the uninsured populations.	On June 9, HCFA rejected the State's financial proposal. The financing proposal submitted depended upon "profits" obtained from the public managed care plan (MCP) whereby the State would pay the public MCP a capitation rate that exceeds actual costs. This profit margin would then be transferred back to the State and used as State share to obtain additional Federal funds - thus, indirectly increasing the Federal matching percentage for the State. The State may develop an alternative proposal or submit a 1915(b) proposal that would enroll the Medicaid population into existing, private HMOs. The State is also considering a voluntary managed care system where no waivers would be necessary.	Proposal submitted 1/3/95 Disapproved: 6/9/95 State will resubmit in late 1995.
MAINE	None		
MARYLAND (Expected)	HCFA representatives are working closely with the State in the development of an 1115 waiver demonstration program that would incorporate managed care.		

STATE	PROJECT DESCRIPTION	STATUS	TIME FRAME
MASSACHUSETTS	Massachusetts has submitted an 1115 waiver application, entitled "MassHealth". The demonstration has nine component strategies which are intended to cover a portion of the 524,000 uninsured in Massachusetts, as well as provide assistance to the low-income insured. The proposed strategies address needs specific to the mixture of social economic groups that are uninsured in Massachusetts, which include the employed, the short-term unemployed, and the long-term employed. The proposal includes direct strategies that provide public health care and indirect strategies that seek to promote market forces and responsible decision making by providing financial incentives in the form of tax credits to employers, tax deferred medical saving accounts for insured individuals, and subsidies in the form of insurance vouchers for employees with incomes up to 200% of the FPL.	The enabling legislation, which is part of a more comprehensive health care reform legislation package, has been referred to the legislature's Joint Committee on Health Care for review. A site visit to the State is planned for the week of September 5. Meetings will be held with the State staff, the contractor which manages mental health and substance abuse services, and the Federally Qualified Health Centers and Community Mental Health Centers.	Proposal received 4/15/94. Waiver approved 04/24/95. The State accepted the special terms and conditions on 5/16/95.
MICHIGAN	None		
MINNESOTA (Approved/ Implemented)	Minnesota submitted a waiver proposal with three major components: (1) integration of low-income and uninsured programs; (2) expansion of the managed care delivery system; and (3) linkage of Medicare to overall State health care reform efforts. The proposal would be implemented in two phases. Phase 1 would involve the first two components. In Phase 2, Minnesota would develop a framework for implementing broader reforms in subsequent years.	Instead of approving Phase 1 of Minnesota's proposal, HCFA approved an amendment to Minnesota's current Section 1115 waiver on April 27, 1995. The amendment permits the State to expand eligibility to children and to expand managed care waivers to all counties, and extended the wavier for the period July 1, 1996 through June 30, 1998. A meeting with the State is planned for the week of September 18.	Proposal received 7/28/94. PMAP+ was approved on 4/27/95.
MISSISSIPPI	None		
MISSOURI (Under Review)	Missouri's Department of Social Services has submitted an 1115 waiver proposal that will provide managed care medical services to the State's Medicaid population and to the uninsured.	HCFA and the State are negotiating budget neutrality issues.	Proposal received 6/30/94. Anticipated Decision: Dec 95
MONTANA ~~(Under Review)~~ (Disapproved)	The State submitted a section 1115 demonstration waiver proposal entitled, "Montana Mental Health Access Plan" on June 15, 1995. The State seeks 1115 demonstration waivers to enable them to place all State funded mental health delivery systems for Medicaid and non-Medicaid under a single capitated full risk managed care provider.	The issue paper and the letter to the Governor concerning the States waiver request are undergoing final clearance.	Proposal was received 6/15/95. Disapproved 9/13/95
NEBRASKA	None		
NEVADA	None		

STATE	PROJECT DESCRIPTION	STATUS	TIME FRAME
NEW HAMPSHIRE (Under Review)	New Hampshire submitted a proposal entitled, "The Granite State Partnership for Access and Affordability in Health Care". The State proposed to expand Medicaid eligibility to adults with incomes below the AFDC cash standard, and introduce a public insurance product for low-income workers. Also, the State proposed to implement a number of pilot initiatives to help to ultimately redesign the State's health care delivery system.	The State decided not to implement its original proposal. On June 20, the State submitted a revised concept paper. On June 26, a meeting was held between State Officials and the Administrator to discuss various options for health reform, including the possibility of incorporating Medicare and Medicaid waivers. On July 25, ORD and RO staff met with the State. The State appears interested in a broad health care reform demonstration.	Proposal was submitted on 6/14/94. Anticipated Decision: State revising proposal
NEW JERSEY (Expected)	The State has submitted a concept paper for a section 1115 demonstration waiver. The State plan to incorporate its "Health Access New Jersey" program for the uninsured and the recently approved section 1915(b) managed care waiver for the Medicaid population in a comprehensive proposal to streamline eligibility, expand coverage, and manage behavioral health and long term care services.	Concept paper received on July 5. The Medicaid Director met with HCFA staff on July 10 to discuss the State's concept paper.	Concept paper received on 7/5/95.
NEW YORK (Under Review)	"New York Partnership Plan," a statewide section 1115 demonstration proposal will enroll its Medicaid population (excluding the elderly and institutionalized disabled) and its Home Relief population (those that are financially needy but not Medicaid eligible) into managed care programs. The plan also establishes new health plans to meet the needs of special populations.	The State's response to questions on their waiver application was disseminated throughout the Department for review. A site visit to the State is planned for the week of September 5.	Proposal was received on 3/20/95. Anticipated Decision: Dec 95 - Jan 96
NEW MEXICO	None		
NORTH CAROLINA	None		
NORTH DAKOTA	None		
OHIO (Approved/Pending Implementation)	OhioCare will expand eligibility for Medicaid to the uninsured population with incomes up to 100 percent of the FPL. An estimated 500,000 new eligibles will receive coverage. The State will enroll all new and current Medicaid beneficiaries into managed care programs throughout the State. Ohio will also test the use of managed care for the provision of certain special health related services, to be provided on a risk basis by several State agencies.	The Ohio Legislature has passed legislation giving the Ohio Department of Human Services the ability to implement managed care throughout the State. A draft implementation work plan was received from the State. The State is intending to proceed with implementing statewide managed care for basic services. The authorizing legislation for eligibility expansion and managed care for special health related services was not passed by the Legislature, so these programs pieces can not be implemented.	Proposal received 3/2/94. Project approved 1/17/95. Accepted the terms of the award on 2/22/95.
OKLAHOMA (Under Review)	Oklahoma has submitted an 1115 waiver proposal to implement "SoonerCare". The focus of the program is on development of managed care in rural areas, through three partially capitated delivery models. The State is encouraging the use of safety net providers through various mechanisms.	On August 29, a conference call was held with HCFA and the State to discuss the terms and conditions of their proposal. A follow-up call is scheduled.	Proposal received 1/6/95. Anticipated Decision October 1995

STATE	PROJECT DESCRIPTION	STATUS	TIME FRAME
OREGON (Approved/ Implemented)	The Oregon Health Plan, designed to expand access to health care to the uninsured and contain costs through managed care, establishes a basic set of benefits available to all Oregonians at or below 100 percent of the FPL. The basic package reflects a prioritized ranking of service-treatment pairs developed by the Oregon Health Services Commission.	As a result of budget cuts by the State Legislature, Oregon has submitted a request to modify its current waiver in areas of premiums, copays, and eligibility requirements for new eligibles. HCFA has also received a request from the State to cutback on the number of services covered on the State's prioritized list that is under consideration. The State's request have been distributed for review among DHHS and OMB components.	Waivers approved 03/19/93. The special terms and conditions were accepted on 04/16/93. Operations began 2/1/94. Phase 2 waivers were approved 9/28/94.
PENNSYLVANIA	None		
RHODE ISLAND (Approved/ Implemented)	Under RIteCare, Rhode Island was given Medicaid waivers allowing the extension of Medicaid eligibility to pregnant women and children up to 250% FPL and enrollment of all recipients in a capitated managed care delivery system.	Operations began 8/1/94. As of July 6, enrollment was 60,563. HCFA is discussing a proposed emergency room policy with the State, and expect to finalize the policy shortly. A conference call was held with the Department, and Birch&Davis to discuss budget neutrality issues. The State is expected to submit their proposal shortly.	Proposal was received on 7/2/93. Waivers approved 11/1/93. The special terms and conditions were accepted on 11/2/93. Operations began 8/1/94.
SOUTH CAROLINA (Postponed)	South Carolina submitted an 1115 waiver application entitled the South Carolina Palmetto Health Initiative. The program would extend Medicaid eligibility to include residents with incomes up to 100% of the FPL. South Carolina expects to cover approximately 240,000 additional recipients. Most Medicaid recipients will be enrolled in managed care programs. South Carolina would also implement a 500-member long term care pilot project to demonstrate the effectiveness of a targeted managed care system that emphasizes home- and community-based services for the nursing facility population.	On November 18, 1994, HCFA approved the framework of the project and agreed to work with the State to meet a set of milestones over the coming year. When South Carolina successfully completes these milestones, HCFA will act on their request for waivers. At this time, the State has decided to indefinitely postpone proceeding with the developmental phase of the project. The State will proceed with voluntary enrollment into HMO's for Medicaid recipients and some pilot projects for partially capitated providers.	Proposal received 3/1/94. Review panel was held 6/13/94. Approval letter for initial award was sent 11/18/94.
SOUTH DAKOTA	None		

STATE	PROJECT DESCRIPTION	STATUS	TIME FRAME
TENNESSEE (Approved/ Implemented)	"TennCare," a statewide 1115 waiver demonstration program that provides health care benefits to Medicaid beneficiaries, uninsured State residents, and those whose medical conditions make them uninsurable. Enrollment is capped at 1.4 million. All enrollees are served in capitated managed care plans that are either HMOs or PPOs.	HCFA has reached agreement with the State on plans for additional funding to provide relief to 2 large public hospitals, the Regional Medical Center in Memphis, and Nashville General/Hubbard Hospital in Nashville. HCFA and the State held a conference call to explain what is expected of the State so that they can comply with the public notice requirements with respect to the State's proposal to include the mentally retarded/developmentally disabled (MR/DD) population in their plan. HCFA received a letter from the State indicating that they wish to withdraw their proposal for a modification to the TennCare demonstration to include the mentally retarded/developmentally disabled (MR/DD) population. The State plans to deinstitutionalize this group through other options.	Proposal was received on 6/17/93. Waivers approved 11/18/93. The special terms and conditions were accepted on 12/16/93. Operations began on 1/1/94.
TEXAS (Under Review)	The State has indicated that they will be submitted a section 1115 waiver proposal focusing on Medicaid managed care.	A proposal from the State is expected shortly. was received HCFA has been providing consultative services to the State on an informal basis as they work on their proposal.	Submitted: Sept 95 Anticipated Decision Jan-March 96
UTAH (Under Review)	Utah has submitted a proposal for a section 1115 waiver demonstration which will expand access to health care for residents under 100% of the FPL; enroll urban Medicaid clients in managed care; encourage small employers to participate in a health insurance plan (subsidized by the State); and simplify the eligibility process and streamline the administrative process.	The proposal was received 7/3/95 and is currently being reviewed by Department and HHS staff members. HCFA will be releasing a major issues letter to the State shortly.	Proposal was received 7/3/95. Anticipated Decision January 1996
VERMONT (Approved/Pending Implementation)	Through the statewide section 1115 program, "Vermont Health Security Plan," the State plans to expand eligibility to uninsured Vermonters with incomes under 150 percent of the FPL, implement a managed care system, and extend a prescription drug benefit to the State's lower income Medicare beneficiaries.	On August 23, a bidders conference dealing with technical issues in the Managed Care Request for Proposal was held. Written general questions are to be submitted to the State by August 25. A bidders conference dealing with financial issues will follow.	Proposal was submitted on 2/22/95. Award 7/95.
VIRGINIA	None		

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

Office of Managed Care

AUG 28 1995

NOTE TO: LINDA BROWN

SUBJECT: BIWEEKLY WAIVER TRACKING SHEET FOR THE OFFICE OF MANAGED CARE (OMC)

Attached is the biweekly waiver tracking sheet. Below we have listed waivers that are considered to be controversial or unique:

Freedom of Choice Waivers

- Alabama 03 - (State stopped clock on 1/20/94)

  This waiver represents the State's initial effort in mandating managed care for AFDC recipients. This waiver request is controversial in that the local hospital-based providers claim that the payment rates would be inadequate, and question whether a sufficient provider network will contract with HMOs. The State has stopped the clock to resubmit information. However this request is a year old now, so it is doubtful that the State will pursue.

- California 21

  The two-plan model will allow beneficiaries in Alameda, Contra Costs, Fresno, Kern, Los Angeles, Riverside, San Bernardino, San Francisco, San Joaquin, Santa Cara, Stanislaus, and Tulare counties to choose between enrollment in a locally-developed HMO, called the local initiative (LI), and a non-governmental HMO, called the commercial plan. The State will maintain two HMO contracts per county, one LI contract and one commercial HMO contract. The HMOs will be responsible for monitoring the health care of members and their utilization of non-emergency services. Neither emergency not family planning services are restricted under the waiver. Approximate number of Medicaid beneficiaries to be locked into Managed Care within the proposed 12 Counties equals 3.4 million.

- Georgia 02.R01

  On August 9, 1995, the Office of Managed Care and the State of Georgia agreed that its waiver authority under §1915(b) of the Social Security Act that allowed for the operation of the Pregnant Substance Abuse Day Treatment (PSADT) Program would be phased out. The State has agreed to cease new enrollment immediately and to allow the women and children currently enrolled in PSADT to complete the program. Under this schedule, the PSADT program should be phased out in no longer than eleven months from receipt of the letter.

o New York 07

On February 23, the State of New York submitted a request to amend the Southwest Brooklyn Managed Care Demonstration Project to significantly expand mandatory enrollment city-wide in areas that have traditionally been medically under served. The State proposes a phased-in enrollment in four phases of which two will be covered under the 2-year waiver program. The projected enrollment is 465,286 by December 1996 which is a significant increase since the current enrollment in the Southwest Brooklyn area is approximately 48,000. HCFA is concerned that New York City may not have an adequate number of providers to care for almost one-half million enrollees in such as short period of time. HCFA requested additional information on May 5 to which the State responded on June 9. The State stopped the clock on August 1, and restarted it on August 2 because HCFA is in the process of evaluating New York City's Managed Care Program to see if concerns raised by numerous advocacy groups are valid. The 90th day for the expansion is October 30, 1995.

If you have any questions or need further information, please contact Anna Meyers on 410-786-5364.

Rita Johnson-Mills
Director
Medicaid Managed Care Team

Attachment

NOTE TO: Linda Brown

SUBJECT: List of Program Waiver Approvals

Freedom of Choice Waivers 1915(b)

State	**Approved**
New York **12**	**8/11/95**
Ohio **11**	**7/3/95**
Kentucky **04.R04**	**8/21/95**

The above are approvals that have now been deleted from the report. If you have any questions, please call me on 410-786-5364.

Anna Meyers

AUG 28 1995

BIWEEKLY WAIVER TRACKING SHEET

STATE (new States in bold)	PROPOSAL	AGENCY	RECEIVED BY AGENCY	STATUS (new items & changes in bold)
RECEIVED				
1915(b)	**FREEDOM OF CHOICE**			
Alabama 03	To provide comprehensive services on a prepaid payment basis for AFDC and SOBRA recipients residing in Jefferson and Shelby counties.	HHS/HCFA	11/04/93	State stopped 90-day cloc on 1/20/94 to resubmit information. ***
California 19	To provide Dental Services to Medicaid recipients. To prevent unnecessary utilization.	HHS/HCFA	11/1/94	Additional Information request sent to RO on 12/09/94; therefore 90-da clock has stopped. Awaitin State's response.
California 20	OPTIMA of Orange County Organize Health System to provide full scope of Medi-Cal benefits to all beneficiaries residing in Orange County.	HHS/HCFA	**7/27/95**	**Received additional information response on 7/27/95; therefore 90-day clock restarts; 90th day i 10/20/95.**
California 21	Two Plan Model to enroll Medicaid recipients in health maintenance organizations (HMOs) which will provide or prior authorize all primary care services and most other medical and rehabilitation services.	HHS/HCFA	6/30/95	Pending in HCFA; 90th day i 9/28/95.

TO: Carol

FR: Diana

Here is the chart. There are still a few facts I need to check with Monahan in the morning, including the deadline for Missouri and California.

I put the Democrats first, and then the Republicans start below the shaded line on page 1.

I will also fax this to your office.

E X E C U T I V E O F F I C E O F T H E P R E S I D E N T

07-Sep-1995 06:44pm

TO: Diana M. Fortuna

FROM: Patricia E. Romani
Domestic Policy Council

SUBJECT: materials CHR requested

Diana,

Carol wished you to fax to her home for the weekend the materials for meeting next week.

Her home fax is 703-370-1340

Pat

MEDICAID WAIVER SUMMARY

A Medicaid demonstration waiver (often called an 1115 waiver) allows a state to deviate from the law for research purposes. Without a waiver, a state may not enroll Medicaid beneficiaries in managed care, vary benefits within the state, or extend coverage to the uninsured.

Of the 10 Medicaid waivers HHS has approved to date, most have followed a similar pattern -- enroll Medicaid beneficiaries in managed care and use the savings to extend Medicaid eligibility to uninsured people not otherwise eligible under the law.

A second type of waiver, known as a freedom-of-choice or 1915b waiver, also allows states to use managed care, but is more restrictive than an 1115 waiver. These waivers are not discussed here.

Approved: 10 states

- Implemented: Oregon, Hawaii, Rhode Island, Tennessee
- Not Yet Implemented: Kentucky (suspended by legislature), Florida (awaiting legislative action), Ohio, Massachusetts, Minnesota, Delaware

1. Alabama 7/10/95 (new)
2. Calif – 1915 Lacty (new)
3. Fla amdts (new)
4. Ga Ch Ben Plan?
5. Illinois
6. Kansas (Graves)
7. Kentucky
8. Missouri – Gunbarg
9. New H. – Merrill
10. New York
11. Oklahoma (Keating)
12. Utah (Leavitt) (new)
13. ~~Lacty~~

Under Review: 10 states (with date of request and 120-day point)

	Requested	120 Days
o New Hampshire	6/94	10/94
o Illinois	9/94	1/95
o Georgia	12/94	4/95
o Louisiana	1/95	5/95
o Oklahoma	1/95	5/95
o Vermont	2/95	6/95
o New York	3/95	7/95
o Kansas	3/95	7/95
o Missouri	3/95 amended	7/95
o Kentucky	3/95 amended	7/95

Concepts Discussed with HHS:

- o Alabama
- o New Jersey
- o Montana
- o Texas
- o Utah

UPCOMING MEDICAID WAIVER ISSUES

QUESTIONS ABOUT BENEFITS OF WAIVER: Two waivers have generated some intense opposition, particularly in urban areas.

Illinois (120 days in January 1995) -- Would mandate managed care. State has a very poor history with Medicaid program. New issue is how state will pay $1.3 billion in back payments owed to providers.

New York (120 days in July 1995) -- Would mandate managed care and shift costs from state-financed program to Medicaid. Interaction with significant Medicaid budget cuts proposed by Governor has generated intense anxiety, particularly in New York City. City Council alternative to plow back savings into system doesn't appear to be budget neutral.

BUDGET NEUTRALITY: Administration policy is that waivers must be budget neutral. A GAO study and interest by Congress have increased scrutiny in this area. Budget neutrality has been a major issue in most waiver negotiations and has required most states to compromise with HHS.

Louisiana (120 days in May 1995) -- Waiver is motivated by problem with state Medicaid financing: Congress's curb on states' ability to use disproportionate share hospital (DSH) payments as the state share of Medicaid affects Louisiana dramatically -- the financing for over half of its share of Medicaid will be eliminated as of July 1.

The Governor's proposal would create a new public managed care entity and add uninsured persons to Medicaid. Preliminary analysis by HHS indicates serious budget neutrality issues. Private providers and some legislators are working on an alternative.

Secretary Shalala told the Governor and state legislators months ago that HHS was prepared to pursue other avenues of addressing the state's fiscal problem, including public finance approaches. This statement was reported in the press. The state has not pushed HHS to follow up yet.

Vermont (120 days in June 1995) -- Would mandate managed care, cover the uninsured up to 150% of poverty level, and give lower-income Medicare beneficiaries a prescription drug benefit. OMB has concerns about budget neutrality of prescription drug benefit; state is very committed to this feature of its proposal. OMB and HHS want to resolve soon.

Montana -- Not yet submitted but raises concerns. State would extend Medicaid coverage for mental health services only. Appears to be designed to shift costs from state-funded mental health programs to Medicaid. Raises question about precedent in other states.

OTHER ISSUES:

Tennessee -- Approved in 1993, implemented January 1994. Imposed managed care, cut rates significantly, added coverage for most uninsured. Reports that some providers and Blue Cross are very unhappy; some HMOs unable to arrange specialty care. Pools promised by the state to compensate essential community providers have not materialized due to state budget constraints. GAO report being prepared.

District of Columbia (120 days in June 1994; planning grant awarded in September 1994) -- Would enroll disabled children in managed care. Initial concerns about D.C.'s capacity to run program, use of sole source provider, and ADA compliance. These may be resolved, but issue surfaced in Washington Post last year.

FAX TRANSMITTAL # of pages ► 1

To Diana Fortuna | From Pat Woods

Dept./Agency White House | Phone # 401 5879

Fax # | Fax #

NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

September 19, 1995

NOTE TO: DIANA FORTUNA

FROM: PAT WOODS

SUBJECT: 1915(b) WAIVER APPLICATIONS IN CA & NY -- STATUS

CALIFORNIA Received: 6/30/95 90th Day: 9/28/95

Comments: Due to the magnitude of this waiver, HCFA's Office of Managed Care has received a tremendous amount of comments from the public, advocacy groups, and Department reviewers. No questions have been sent to the state yet, but HCFA expects to send questions by 9/22. HCFA staff have been in touch with the state to explain the delay. HCFA advises us that the state understands and has no problem with the delay. Further, HCFA says the state fully understands and is comfortable with the fact that the 90-day clock stops when the questions go out, and that a new 90-day clock will start when the state's answers are received.

NEW YORK Received: 2/23/95 90th Day: 10/31/95

Comments: HCFA sent questions to the state on 5/5/95, therefore, the clock was stopped until the state responded to HCFA on 6/9. In view of the fact that the state was not yet ready to have HCFA conduct a quality review, the state asked to stop the clock on 8/1 in order to give itself more time to get ready. The clock restarted on 8/2. The 90th day will now be 10/30.

HCFA is currently conducting the quality review of the NYC managed care program. That review will be completed by the end of September.

PENDING MEDICAID WAIVERS

STATE	DESCRIPTION	ISSUES	120 DAYS
Florida	Governor Chiles submitted amendments to a waiver granted in 1994. The state legislature has so far refused to implement his plan, and these changes are intended to make implementation possible on a smaller scale. Original plan would have used managed competition to allow 1.1 million uninsured access to a limited Medicaid benefits package.	None, except timing. State officials have asked that the new waiver be approved within a few weeks, and HHS will try to accommodate them.	1/96
Georgia	Proposal to manage behavioral health services.	None identified yet.	1/96
Kentucky	State has asked for revisions to a waiver granted in 1993, after legislature rebuffed original plan to expand Medicaid eligibility. New plan would impose managed care using 8 regional partnerships.	Issue of lack of choice of health plans has held up approval. Yesterday HHS made offer to state and is waiting to hear back from them.	10/95
Missouri	Would impose managed care and expand coverage.	Problems with the state's use of provider taxes and disproportionate share funds.	7/95
Alabama	Would impose managed care and expand Medicaid eligibility for children and young adolescents to 133% of poverty level.	Problems with lack of choice of plans and competitive bidding.	11/95
California	Would impose managed care and offer beneficiaries a choice of a public or private HMO. However, public institutions are very concerned that the capitation rate will be so low that they will not be able to compete with the private sector, and that the state has allowed the private sector an advantage in enrolling Medicaid clients.	This is a "1915b" waiver. By statute, 1915b waivers are deemed approved after 180 days unless HHS denies them. (Most waivers are 1115 demonstration waivers, which HHS tries to act on in 120 days under executive order.) HHS has much less ability to control the approval process for 1915b waivers.	end of 12/95

State	Description	Issues	120 Days
Illinois	Would impose managed care. Public providers such as community health centers are very concerned about the waiver, but Cook County Hospital made a deal with the state for special financial protection.	Illinois owes providers $1.5 billion in back payments. HHS has asked that this issue be addressed as part of the waiver. The state has not responded, and is no longer lobbying intensely for approval.	1/95
Kansas	Would test non-competitive managed care model in rural and small urban counties; and expand eligibility for children.	State would not competitively bid managed care contracts. State has agreed to offer a choice of plans.	7/95
New Hampshire	Would expand eligibility and establish pilots to help redesign health care delivery system.	None.	10/95
New York	New York has submitted 2 similar waivers: an 1115 demonstration waiver and a 1915b "freedom of choice" waiver. Both would rapidly enroll most clients in managed care, and have raised tremendous concerns for public institutions, unions, and advocates.	The state delayed its original implementation timetable, but it remains a very aggressive attempt to change the health care delivery system in a short time. HHS has less discretion on the 1915b waiver.	1115: 7/95 1915b: end of 10/95
Oklahoma	Would develop managed care in rural areas.	Budget neutrality issue.	5/95
Texas	Would impose managed care.	None identified yet.	1/96
Utah	Would impose managed care, expand eligibility, and create a state-subsidized health insurance plan for small employers.	Eligibility streamlining may cause some to lose benefits; charging premiums to those at 75% of poverty level too strict.	11/95
Los Angeles County	Details of waiver must still be worked out, including county agreement on the specifics of streamlining and state cooperation.	SEIU very disappointed that HHS did not require the county to negotiate with unions during transition.	NA

THE WHITE HOUSE

WASHINGTON

February 3, 1996

MEMORANDUM FOR THE PRESIDENT

FROM: Carol H. Rasco
Diana Fortuna DF/CHR

SUBJECT: Background on Waivers for NGA Meeting

Intergovernmental Affairs asked us to prepare the attached background on significant pending welfare and Medicaid waivers, in preparation for the NGA meeting.

cc: Marcia Hale
Harold Ickes

2/3/96

SIGNIFICANT PENDING WELFARE WAIVERS

California

- The Beno and family cap waivers have been pending since August 1994 and November 1994 respectively, because of HHS policy concerns. On Thursday of this week, HHS sent the state a set of "acceptable terms and conditions" that included certain compromises by HHS.

- The "Beno" waiver would renew a waiver approved by the Bush Administration that has been invalidated by the courts. The waiver would allow the state to cut welfare benefits below a statutory maintenance of effort requirement. In Thursday's letter, HHS offered to approve the benefit cut if the state agreed to exempt certain workers defined as incapacitated and 16-18 year old high school students.

- The family cap waiver has been held up over the issue of whether first-time minor mothers should be denied benefits, which we have not agreed to in any other state. HHS has not offered a compromise on this issue.

Illinois

- HHS has had productive discussions with Illinois on its waiver to make establishment of paternity a condition of receiving AFDC, most recently on January 29, and they expect the matter to be resolved amicably. However, the waiver was submitted in July 1995.

New Hampshire

- After getting this waiver application in September, HHS suggested to New Hampshire that it use the new 30-day "fast-track" process for part of its request. The state agreed to do so in October. Although HHS was prepared to move two weeks later, the state then told the state that they were considering changes to the application.

- On January 24, the state submitted a revision, but HHS was not satisfied with the evaluation of the demonstration proposed by the state. However, the Secretary spoke to the Governor on Friday, February 2, and he agreed to her position on evaluation.

Ohio

- On Friday, February 2, Governor Voinovich sent the President a highly critical letter. The letter criticizes the waiver process as "excruciatingly slow" and refers to "arrogant bureaucrats" at HHS. Although this waiver has been pending for a little over 90 days and does not meet the criteria for a 30-day fast-track waiver, the letter criticizes HHS for taking longer than 30 days.

- Secretary Shalala called the Governor to discuss the letter on Friday. Apparently the Governor had not understood that his request does not fit the 30-day fast-track criteria, and was surprised to learn this from the Secretary. He did reiterate to her the point made in his letter that his plan has bipartisan support from the state legislature and the backing of the Ohio Children's Defense Fund.

- His letter was prompted by a letter HHS sent the state on January 25. HHS regarded the letter as fairly routine. It raised questions about the strictness of the time limits, and stated that it lacked the legal authority to grant parts of the waiver.

Oregon

- The state is resisting HHS's plan for evaluation of this waiver, received in July 1995. Governor Kitzhaber is not expected to attend the NGA meeting.

South Carolina

- South Carolina has not compromised on two policy issues important to HHS: extending time limits for people who "play by the rules", and denying benefits for first-time minor mothers. All other states with waivers in this area ultimately agreed to HHS's position on these two issues. The waiver has been pending since June 1995.

Texas

- Although the 120-day review period for this waiver does not expire until February 6, a recent exchange of paper between the state and HHS suggests there will be difficult issues to resolve, including the definition of severe hardships that can extend time limits and reductions in Medicaid benefits.

Action Imminent

Waivers will be approved as early as Monday, February 5, for Louisiana (just over 120 days), Mississippi (just over 60 days), North Carolina (just over 120 days), while action next week is also likely on a second Illinois waiver.

SIGNIFICANT PENDING MEDICAID WAIVERS

Arizona

- Arizona has requested an amendment to its long-standing Medicaid waiver that would assist those eligible for both Medicare and Medicaid. After an initial proposal in April 1994, the state then submitted a revised version in November 1995, based on discussions with HHS. Budget neutrality is now the major outstanding issue.

Georgia

- On September 1, Georgia submitted a plan for integrated managed care for mental illness, mental retardation, and substance abuse. The state asked HHS to coordinate its review of the three different types of waivers needed to implement this plan (which is a bureaucratic challenge for HHS). HHS sent questions to the state at the end of November, and is still awaiting the answers.

Illinois

- This waiver has been pending since September 1994. HHS has kept us well-informed about the problems with this waiver, including treatment of safety net providers and how to resolve over $1 billion in back payments owed to providers by the state. The Governor's plan was opposed by Democrats in the state legislature, unions, and many key providers.

- Several weeks ago, HHS found a way to resolve the outstanding issues that satisfied HHS and all the key players in the state, and sent the state draft approval language for their review. However, the state has been slow to respond to this offer.

Kansas

- The state is aware that HHS is very close to granting this waiver, which was bogged down for months over two issues: whether beneficiaries would get a choice of plans, and whether managed care contracts would be competitively bid. A compromise has finally been reached on those issues, and agreement on budget neutrality is expected soon. However, the waiver has been pending since March 1995.

Missouri

- This waiver has been pending for a very long time -- since June 1994, with a revision in March 1995. The state proposes to use managed care savings to expand Medicaid eligibility.

- The problem is that much of the state's Medicaid program is now financed by an illegal provider tax, making it difficult to achieve budget neutrality. The state has not been critical of HHS for the long delay, presumably because of their own exposure over the provider tax.

Montana

- In September, HHS disapproved Governor Racicot's request for a waiver to enroll the uninsured in Medicaid for mental health services only. HHS objected to this partial coverage and felt that the proposal was essentially designed to substitute Federal funds for state funds.

- In October, Montana submitted a new but similar proposal. Governor Racicot will meet with Secretary Shalala on this on Wednesday, February 7.

New York

- As with the Illinois Medicaid waiver, HHS has kept us well-informed about this issue, which is opposed by a coalition of beneficiaries, providers, unions, and others in the state. This waiver is a more ambitious version of a waiver that HHS approved in greatly modified form -- and that the state then rejected -- in October. Outstanding issues include budget neutrality and how Medicaid cuts recently proposed by the Governor would affect the waiver. It was submitted in March 1995.

Oregon

- In June 1995, Oregon requested an amendment to its existing waiver that would allow the state to charge premiums to beneficiaries, including those below the poverty level. HHS has been trying to persuade the state to ensure that those who can't pay premiums because of hardship are not dropped from the Medicaid rolls. Governor Kitzhaber is unhappy with delay; he is not expected at the NGA meeting. HHS and the state are scheduled to meet this coming week.

Tennessee

- Two pending amendments to the TennCare waiver are not resolved. One would allow the state to charge premiums to beneficiaries below the poverty level, which HHS opposes. The second would redirect funds from teaching hospitals to medical schools. These have been pending since June.

Los Angeles County Medicaid

- The state of California and Los Angeles County have still not submitted a formal waiver request to carry out the aid package announced by the President in September, partly because of problems with budget neutrality. HHS continues to work with the county to develop the waiver. However, Governor Wilson is not likely to raise this issue.

Action Imminent

A waiver amendment for Rhode Island will be approved within a week or two (not yet pending for 120 days).